

Child Support Guideline Revisions

Fair, Justified and Honest

Hon. Robyn L. Moberly

September 11, 2003

Annual Meeting of the Indiana
Judicial Conference

Revisions to the Guidelines

- Guidelines to be applied in CHINS, delinquency, and institutional placement
- Weekly Gross Income includes inheritances
- Withdrawals from retirement plans may be considered 'actual income'.
- Court-ordered post-secondary education for prior-born children should be deducted from Weekly Gross Income.

- **Work-related child care expenses are not deducted from Weekly Gross Income.**
- **Treatment of earned income of incapacitated adult**
- **10% credit for frequent visitation and 50% credit for extended visitation are eliminated.**
- **6% rule applies to student living away from home.**
- **Treatment of single event major health care costs**

**There is no change in the
statutory requirements for a
modification!**

Shared Parenting

- **Simplicity vs. Fairness**
- **“If it ain’t broke, don’t fix it”**
- **Families have changed how they “parent” the children**
- **Lawyers, judges and lay persons all asked for guidance**

The Cheapest Way to Raise a Child

- Sole parenting with little or no “parenting time”
- Non-custodial parent doesn’t need a bedroom, a set of clothes, toys
- Custodial parent sends everything non-custodial parent needs during parenting time

Families have changed

- Parenting Guidelines provide for non-custodial parent to spend nearly 30% of the year with the child (104 overnights per year)
- Lawyers and judges are faced with families where both parties parent more than 104 overnights per year

How Does Shared Parenting Affect the Cost of Raising A Child?

- The overall cost of raising a child *increases* when parents must **duplicate** expenses- bedroom, transportation, utilities
- **Duplicated** expenses account for 50% of the total costs of raising a child.

In a family that shares parenting equally, the “total” cost of raising the child will be 150% of the cost of raising that child in a traditional “sole” custody model

Transferred Expenses

- In a family that shares the parenting of a child, certain expenses “travel” with the child such as food, transportation and entertainment
- Expenses which “travel” with the child are **transferred** from one parent to the other as the child goes between households
- **Transferred** expenses do *not* affect the total cost of raising the child. They account for 35% of raising the child.

Controlled Expenses

- Certain expenses are typically controlled by the “custodial” parent and are not duplicated or transferred
- **Controlled** expenses are clothing, education, school books and supplies, health care (out-of-pocket), personal care and reading. They account for 15% of raising the child.

Composition of Average Spending in Intact Families*

*Bureau of Labor Statistics, Consumer Expenditure Survey

1997

Duplicated 49.1%
Transferred 34.5%
Controlled 16.4%

2000

Duplicated 50.7%
Transferred 33.5%
Controlled 15.8%

- + Duplicated expenses
- + Transferred expenses
- + Controlled expenses

TOTAL EXPENSES

How do we fairly compute child support in a family who shares parenting?

- **Assumption: a parent who parents less than 52 overnights per year is not “sharing” parenting; they are doing the minimum, and no shared parenting credit should be applied to child support.**

The more a parent “shares” parenting,
the more the expenses will be duplicated.

The more a parent “shares” parenting,
the more the expenses will be
transferred.

Controlled expenses do not increase or
transfer as parenting is shared.

To make the computation easy, a **Parenting Time Table (PT Table)** is provided so you can quickly see, as parenting time increases from 52 overnights per year, how **duplicated** and **total** expenses increase (actuarially).

Note that at *equal parenting* the **deduplicated** expenses are 50%.
One-half of the transferred expenses (35%) would be 17.5%.
So, at *equal parenting* the **Total** expense credit become 67.5%.

Shared Parenting Credit Worksheet

The Shared Parenting (SP) Worksheet applies the percentages from the Parenting Time (PT) Table to the Basic Child Support Obligation (BCSO) and produces a dollar figure which represents the credit to be given to *one* parent.

In families with equal parenting,
the **Controlled** expenses (clothes not duplicated, out-of-pocket health care, school books, education, etc.) will remain with the parent who does **NOT** take the shared parenting credit.

Where do we want to
be on the scale of
SIMPLE VS. FAIR?